

REPORT

THE NATIONAL ASSEMBLY
OF PARLIAMENTS

DATE: 21 OCT 2021

DAY:

Thursday

THE AUDITOR-GENERAL LOMP

TABLED
BY:

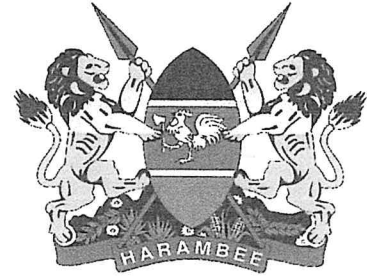
CLERK-AT
THE-TABLE:

Maira Wanjiku

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – LARI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2019**

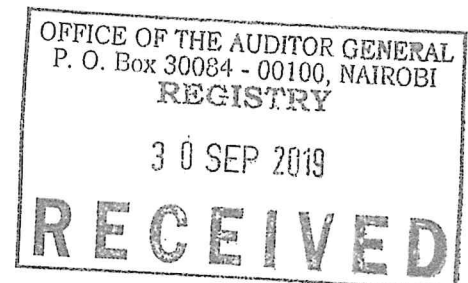


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -LARI
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

**Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)**



11/11/11

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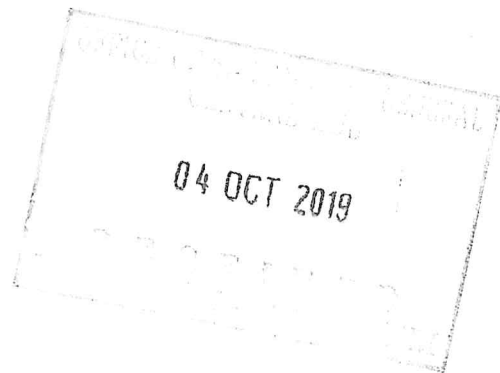


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LARI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF LARI Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	AYAAN MAHADHI
2.	Sub-County Accountant	NANCY MOGOI
3.	Chairman NGCDFC	PETER MUGO MWANGI
4.	Member NGCDFC	ALICE NJERI NDUNGU

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -LARI Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF LARI Constituency Headquarters

P.O. Box 71 - 00221
LARI DEPUTY COUNTY COMMISSIONER'S COMPOUND
MATATHIA.

(f) NGCDF LARI Constituency Contacts

E-mail: laringcdf@gmail.com
Website: www.go.ke

(g) NGCDF LARI Constituency Bankers

1. EQUITY BANK LIMITED,
KIMENDE BRANCH,
AC. NO 1110295360924

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LARI CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

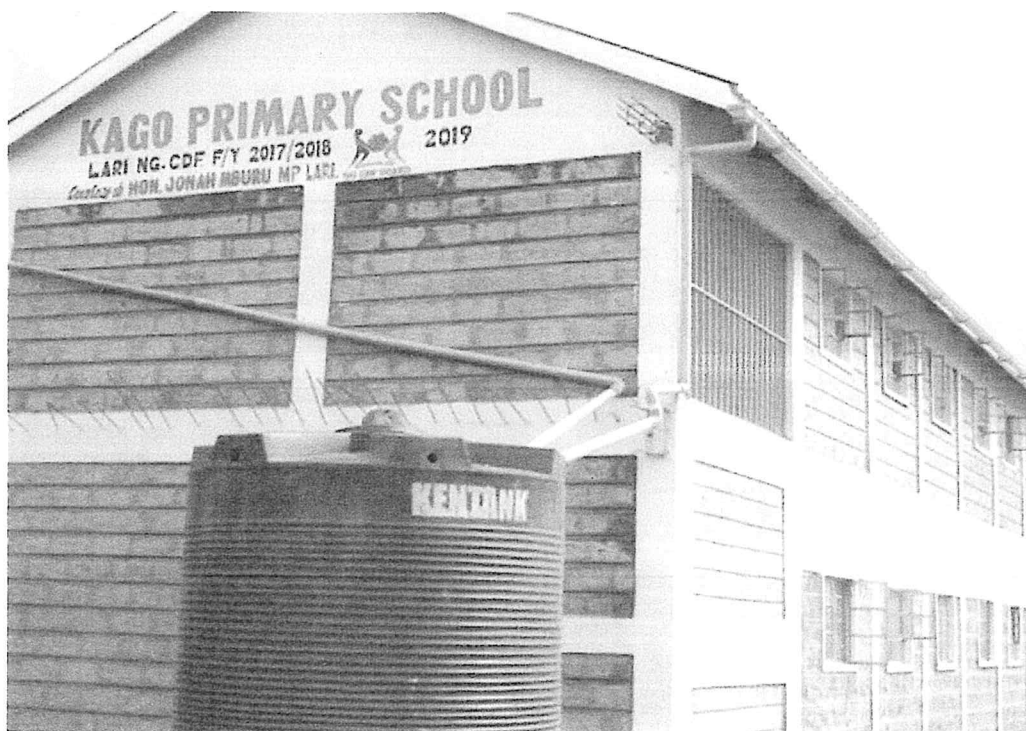
II FORWARDED BY THE CHAIRMAN NGCDF COMMITTEE

Budget Performance

The allocation for financial year 2018/2019 was 109,040,875.52. Out of this we received 50% from the NG-CDF BOARD.

AIE NUMBER	AMOUNT
B030090	10,000,000
A724457	11,000,000
A042672	6,300,000
B042930	13,000,000
B006424	7,000,000
B030477	13,000,000

SampleProjectPhotos





Emerging Issues

Disbursement of funds from the NGCDF BOARD was delayed during this Financial year with only 50% received within the Financial year. However, despite the late disbursement of funds from the NGCDF-BOARD, fourteen projects had not started by 30th June 2019.

Implementation challenges

1. Delay in release of funds
2. Funds allocated not sufficient to implement projects
3. Proposals are forwarded to the NGCDFC at ward forums without realistic cost estimates from Public Works officer.

Sign

A handwritten signature in black ink, appearing to be 'D. L. L.', written over a horizontal line.

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LARI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-LARI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-LARI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-LARI Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-LARI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-LARI Constituency financial statements were approved and signed by the Accounting Officer on 18th SEPTEMBER 2019.



Fund Account Manager
Name: Ayaan Mahadhi



Sub-County Accountant
Name: Nancy Mogoi
ICPAK Member Number:20483

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LARI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lari Constituency set out on pages 7 to 38, which comprise the statement of financial assets as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Lari Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unreconciled Receipts

The statement of receipts and payments reflects total receipts of Kshs.108,833,483 for the year ended 30 June, 2019. However, the summary statement of appropriation: recurrent and development combined indicate actual receipts of Kshs.123,411,973 during the year, resulting in unreconciled variance of Kshs.14,578,490.

Consequently, the completeness and accuracy of the receipts during the year ended 30 June, 2019 could not be ascertained.

2. Net Liabilities

The statement of financial assets reflects total financial assets of Kshs.5,693,128 and nil financial liabilities as at 30 June, 2019. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the net financial position of Kshs.5,693,128 has instead been presented erroneously as net liabilities at the bottom of the statement.

3. Unreconciled Variances in Comparative Balances

The comparative figures reflected in the financial statements for 2018/2019 differs with the audited financial statements figures for the year ended 30 June, 2018 as follows:

Item	Comparative Figures for 2017/2018 in the Financial Statements for 2018/2019 Kshs.	Figures as per Audited Financial Statements for 2017/2018 Kshs.	Variance Kshs.
Use of Goods and Services	2,744,949	1,577,199	1,167,750
Current Receivables – Outstanding Imprests	Nil	1,167,750	1,167,750

Journal entries, documentation or approval for the restated figures were not presented for audit review. In addition, no reasons or disclosures were provided for the restated prior year figures.

In the circumstances, the accuracy of the comparative figures could not be confirmed.

4. Unsupported Expenditure

The statement of receipts and payments reflects total payments of Kshs.117,718,845 for the year ended 30 June, 2019. Included in the expenditure are unsupported payments totalling Kshs. 25,226,827 in respect of sports activities, environment, emergency projects and construction of ICT Hubs of Kshs.4,114,535, Kshs.2,408,402, Kshs.7,838,993 and Kshs.10,834,897 respectively as detailed below:

Category	Payee	Date	Payment Voucher No.	Cheque No.	Amount Kshs	Total Kshs
Sports	Various Project Management Committees	3/7/2018	314	12352	1,736,207	
	Various Project Management Committees	10/16/2018	354	12293	227,511	
	Various Project Management Committees	4/24/2019	various		2,180,817	4,144,535

Category	Payee	Date	Payment Voucher No.	Cheque No.	Amount Kshs	Total Kshs
Environment	PMC-Constituency Environmental Programme	16/10/2018	353	12295	227,586	
	PMC - Constituency Environmental Programme	3/7/2018, 24/4/2019	various		2,180,816	2,408,402
Emergency Projects	Kinale Primary School	9/7/2018	323	12357	1,300,000	
	Katatina Chief's Office	9/7/2018	324	12358	300,000	
	Kagwe Police Post	7/7/2018	325	12359	200,000	
	Kamukombi Chief's Office	7/7/2018	326	12360	300,000	
	Various Projects	7/7/2018	various		5,738,993	7,838,993
ICT Hub	Kinale ICT HUB	17/10/18	356	12299	2,330,743	
	Kimende ICT HUB	17/10/19	357	12300	1,830,743	
	Kagwe ICT HUB	17/10/19	358	13285	2,330,745	
	Kamburu ICT HUB	17/10/19	359	13286	2,330,746	
	Telkom Kenya	31/10/19	369	13549	2,011,920	10,834,897
	Grand Total					25,226,827

Although, the NGCDF Management indicated that payment vouchers, relevant minutes of the CDF committee, procurement records and relevant bank statements were taken by the Ethics and Anti-Corruption Commission (EACC) for investigations, certified copies of the same were not provided for review.

Consequently, the accuracy and propriety of Kshs.25,226,827 expenditure for the year ended 30 June, 2019 could not be confirmed.

5. Unsupported Other Grants and Other Payments

Disclosed under Note 7 to the financial statements on other grants and other payments is an expenditure of Kshs.6,104,311 on security projects. The amount was incurred on five projects as follows:

	Project Name	Amount Kshs.
1	Gachoire Chief's Office	900,000
2	Kwaregi Administration	2,204,311
3	Kijabe ACCS Office	1,200,000
4	Kimende Police Post	900,000
5	Kamukombi Police Post	1,000,000
	Total	6,204,311

However, the expenditure was not supported with payment vouchers, procurement records, relevant minutes of NGCDF committee and projects status reports. In addition, title documents for the land on which the projects have been constructed were not provided for audit verification.

In the absence of supporting documentation and title deeds for the land, the propriety and validity of the total expenditure of Kshs.6,204,311 incurred on these projects could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Lari Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

According to the summary statement of appropriation, during the year under review, the NGCDF- Lari Constituency received a total of Kshs.123,362,973 from NGCDF Board, representing about 69% of the budgeted amount of Kshs.178,403,849.

Similarly, the Fund expended Kshs.117,718,845 against an approved budget of Kshs.178,403,849 resulting to an under-expenditure of Kshs.60,685,004 or 34% of the budget.

Further, out of the actual receipts for the year, the NGCDF- Lari Constituency incurred a total expenditure of Kshs.117,718,845, equivalent to an absorption rate of 95% of the total receipts.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Lari Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Report of the Auditor-General on National Government Constituencies Development Fund - Lari Constituency for the year ended 30 June, 2019

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Fund to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LARI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	49,000	-
TOTAL RECEIPTS		108,833,483	43,405,172
PAYMENTS			
Compensation of employees	4	2,420,082	937,860
Use of goods and services	5	12,091,724	2,744,949
Transfers to Other Government Units	6	40,200,000	8,300,000
Other grants and transfers	7	52,172,141	16,876,207
Acquisition of Assets	8	-	135,000
Other Payments	9	10,834,898	
TOTAL PAYMENTS		117,718,845	28,994,016
SURPLUS/DEFICIT		(8,885,362)	14,411,156

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LARI Constituency financial statements were approved on 18TH SEPTEMBER 2019 and signed by:



Fund Account Manager
Name: Ayaan Mahadhi



Sub-County Accountant
Name: Nancy Mogoi
ICPAK Member Number:20483

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LARI CONSTITUENCY


Reports and Financial Statements


For the year ended June 30, 2019

IV. STATEMENT OF FINANCIAL ASSETS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	5,693,128	14,578,490
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		5,693,128	14,578,490
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		5,693,128	14,578,490
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		5,693,128	14,578,490
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	14,578,490	167,334
Surplus/Defict for the year		(8,885,362)	14,411,156
Prior year adjustments	14	-	-
NET LIABILITIES		5,693,128	14,578,490

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LARI Constituency financial statements were approved on 18TH SEPTEMBER 2019 and signed by:


 Fund Account Manager
 Name: Ayaan Mahadhi


 Sub-County Accountant
 Name: Nancy Mogoi
 ICPAK Member Number:20483

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LARI CONSTITUENCY**


**Reports and Financial Statements
For the year ended June 30, 2019**

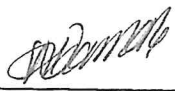
V. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES			2018 - 2019	2017 - 2018
Receipts				
Transfers from CDF Board	1		108,784,483	43,405,172
Other Receipts	3		49,000	-
Total Receipts			108,833,483	43,405,172
Payments				
Compensation of Employees	4		2,420,082	937,860
Use of goods and services	5		12,091,724	2,744,949
Transfers to Other Government Units	6		40,200,000	8,300,000
Other grants and transfers	7		52,172,141	16,876,207
Other Payments	9		10,834,898	-
Total Payments			117,718,845	28,859,016
Total Receipts Less Total Payments			(8,885,362)	14,546,156
Adjusted for:				
Outstanding Imprest	11	-		
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		
Net Adjustments			-	-
Net cash flow from operating activities			(8,885,362)	14,546,156
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	8		-	(135,000)
Net cash flows from Investing Activities			-	(135,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			(8,885,362)	14,411,156
Cash and cash equivalent at BEGINNING of the year	13		14,578,490	167,334
Cash and cash equivalent at END of the year			5,693,128	14,578,490

*

1. The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LARI Constituency financial statements were approved on 18th SEPTEMBER 2019 and signed by:


Fund Account Manager
Name: Ayaan Mahadhi
ICPAK Member Number: 20483


Sub-County Accountant
Name: Nancy Mogoi

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	
RECEIPTS	a	b	c=a+b	d	e=c-d	
Transfers from NGCDF Board	109,040,876	69,362,973	178,403,849	123,362,973	55,040,876	
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	49,000	-49,000	
TOTALS RECEIPTS	109,040,876	69,362,973	178,403,849	123,411,973	54,991,876	
PAVMENTS						
Compensation of Employees	1,718,756	522,852	2,236,608	1,897,230	339,378	90%
Use of goods and services	7,826,491	5,134,500	12,960,991	12,614,576	346,415	
Transfers to Other Government Units	49,000,000	24,600,000	73,600,000	40,200,000	33,400,000	54%
Other Grants and Transfers	50,500,629	25,605,621	76,106,250	52,172,141	23,934,109	68%
Acquisition of Assets						
Other Payments- ICT HUBS		13,500,000	13,500,000	10,834,898	2,665,102	80%
TOTALS	109,040,876	69,362,973	178,403,849	117,718,845	60,685,004	

1. Use of goods and services and other grants and transfer. Part of the funds were not received from NGCDF Board by the end of 2018/2019 financial year hence the 54% utilisation of funds.
2. ICT HUBS. The computers for the ict hubs were not supplied by the end of the financial year hence the 80% utilisation of the funds

The NGCDF-LARI Constituency financial statements were approved on 18th September 2019 and signed by:

Thoko
Fund Account Manager
Name: Ayaan Mahadhi

Nancy Mogoi
Sub-County Accountant
Name: Nancy Mogoi
ICPAK Member Number: 20483

NATIONAL GOVERNMENT COUNCIL/UNIONED DEVELOPMENT AND PROGRESS
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,713,756	522,852	2,236,608	1,897,230	339,378
1.2 Committee allowances	2,481,307		2,481,307	772,057	1,709,250
1.3 Use of goods and services	2,073,958		2,073,958	3,584,941	(1,510,983)
Sub-Total	6,269,021	522,852	6,791,873	6,254,228	537,645
2.0 Monitoring and evaluation					
2.1 Capacity building	1,387,000	444,000	1,831,000	1,160,000	671,000
2.2 Committee allowances	915,943	1,210,500	2,126,443	2,126,443	0
2.3 Use of goods and services	968,283		968,283	968,283	-
Sub-Total	3,271,226	1,654,500	4,925,726	4,254,726	671,000
3.0 Emergency					
3.1 kinala primary school	-	1,300,000	1,300,000	1,300,000	-
3.2 Secondary schools	-		-		-
3.3 Tertiary institutions	-		-		-
3.4 Security projects		800,000	800,000	800,000	-
3.5 others	5,738,994	-	5,738,994	5,738,993	1
Sub-Total	5,738,994	2,100,000	7,838,994	7,838,993	1
4.0 Bursary and Social Security					
4.1 Primary Schools	-		-		-

NATIONAL GOVERNMENT UNIVERSITIES
Reports and Financial Statements
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4.2 Secondary Schools	18,000,000	11,609,190	29,609,190	27,255,900	2,353,290
4.3 Tertiary Institutions	10,000,000	1,120,000	11,120,000	4,420,000	6,700,000
4.4 Special Schools	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
Sub-Total	28,000,000	12,729,190	40,729,190	31,675,900	9,053,290
5.0 Sports					
5.1 bal b/f			-		-
5.2 CONSTITUENCY SPORTS TOURNAMENT	2,180,818	1,963,718	4,144,536	4,144,535	1
Sub-Total	2,180,818	1,963,718	4,144,536	4,144,535	1
6.0 Environment					
6.1 Balance b/f			-	-	-
6.2 CONSTITUENCY ENVIRONMENTAL PROGRAMME	2,180,818	2,408,402	4,589,220	2,408,402	2,180,818
Sub-Total	2,180,818	2,408,402	4,589,220	2,408,402	2,180,818
7.0 Primary Schools Projects					
7.1 CROSSROAD PRIMARY SCHOOL	3,000,000		3,000,000	3,000,000	-
7.2 UTTUGI PRIMARY SCHOOL	1,500,000	2,000,000	3,500,000	3,500,000	-
7.3 ESCARPMENT PRIMARY SCHOOL	2,500,000		2,500,000	2,500,000	-
7.4 KIRASHA PRIMARY SCHOOL	2,500,000		2,500,000	2,500,000	-
7.5 KIRASHA PRIMARY SCHOOL	1,000,000		1,000,000	1,000,000	-
7.6 MUNYAKA PRIMARY SCHOOL	1,000,000	1,000,000	2,000,000	500,000	1,500,000
7.7 MUGIKO PRIMARY SCHOOL	1,500,000		1,500,000		1,500,000
7.8 KIBAGARE PRIMARY SCHOOL	2,400,000		2,400,000		2,400,000
7.9 KAMBURU PRIMARY	2,500,000		2,500,000		2,500,000

NATIONAL GOVERNMENT CONSULTANTS BOARD
Reports and Financial Statements
For the year ended June 30, 2019

7.10 KIBATHITHI PRIMARY	2,500,000		2,500,000		2,500,000
7.11 KIBATHITHI PRIMARY	1,000,000		1,000,000		1,000,000
7.12 NYAMUTHANGA PRIMARY SCHOOL	2,300,000		2,300,000		2,300,000
7.13 KAMAHINDU PRIMARY SCHOOL		1,800,000	1,800,000		-
7.8 KARUGO PRIMARY SCHOOL		600,000	600,000		600,000
7.9 MUHORO PRIMARY SCHOOL		1,800,000	1,800,000		-
7.10 KARIGUNI PRIMARY SCHOOL			-		-
7.11 Kijabe primary school		1,000,000	1,000,000		-
7.12 SULMAC PRIMARY SCHOOL		1,000,000	1,000,000		-
7.13 LARE PRIMARY SCHOOL		1,500,000	1,500,000		200,000
7.14 KAGO PRIMARY SCHOOL	3,000,000		3,000,000		-
7.15 GITHIRIONI PRIMARY SCHOOL		1,800,000	1,800,000		-
7.16 KANYEKIINI PRIMARY SCHOOL			-		-
7.17 KABUNGE PRIMARY SCHOOL		1,000,000	1,000,000		-
7.18 KAGO PRIMARY SCHOOL	2,700,000		2,700,000		700,000
7.19 kinala Primary School	2,300,000		2,300,000		2,300,000
7.20 retention b/f	-		-		-
Sub-Total	31,700,000	13,500,000	45,200,000	27,700,000	17,500,000
8.0 Secondary Schools Projects					
<i>sulmac secondary school</i>		1,300,000	1,300,000		1,300,000
<i>githithia secondary school</i>		1,200,000	1,200,000		1,200,000
8.1 GITITHIA MIXED SECONDARY School	3,000,000		3,000,000		-
8.2 KINGATUA SECONDARY SCHOOL	3,000,000		3,000,000		-

**NATIONAL GOVERNMENT CONTROLLED UNIVERSITIES
Reports and Financial Statements
For the year ended June 30, 2019**

8.3 NYAMWERU SECONDARY SCHOOL	1,000,000		1,000,000		1,000,000
8.4 KARIGIINI SECONDARY SCHOOL	4,500,000		4,500,000	1,200,000	3,300,000
8.5 GACHEMA SECONDARY SCHOOL	4,800,000	3,000,000	7,800,000	3,000,000	4,800,000
8.6 KIRENGA GIRLS SECONDARY SCHOOL	1,000,000		1,000,000		1,000,000
8.7 KAMAE SECONDARY SCHOOL			-		-
8.8 IRIA-JINI SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-
8.11 SULMAC SECONDARY SCHOOL		1,300,000	1,300,000	1,300,000	-
8.12 Secondary School			-		-
8.13 Secondary School			-		-
8.14 retention b/f			-		-
Sub-Total	17,300,000	7,800,000	25,100,000	15,000,000	12,600,000
9.0 Health institutions Projects					
9.1 balances b/f					
10.0 Security Projects					
10.1 GACHOIRE CHIEFS OFFICE		900,000	900,000	900,000	-
10.2 KAMBURU ADMINISTRATION POLICE POST		300,000	300,000	300,000	300,000
10.3 KWAREGI ADMINISTRATION POLICE POST		2,204,311	2,204,311	2,204,311	-
10.4 IRIA-NI CHIEFS OFFICE	1,500,000		1,500,000		1,500,000
10.5 KAMUCHEGE CHIEFS OFFICE	1,000,000		1,000,000		1,000,000
10.6 KAMUKOMBI INI CHIEFS OFFICE		1,000,000	1,000,000	1,000,000	-
10.5 NYAMUTHANGA CHIEFS OFFICE			-		-
10.6 KIJABE ACCS OFFICE		1,200,000	1,200,000	1,200,000	-

NATIONAL GOVERNMENT COUNCIL ON VIOLENCE PREVENTION
Reports and Financial Statements
For the year ended June 30, 2019

10.7 KIMENDE KIMENDE POLICE POST		800,000	800,000	800,000		
10.8 Mban-ini Chief Camp	3,300,000		3,300,000			3,300,000
10.9 Githithia Chief Camp	3,300,000		3,300,000			3,300,000
10.10 Kinala Chief Camp	3,300,000		3,300,000			3,300,000
10.11 Ivari technical		3,300,000	3,300,000		3,300,000	
Sub-Total	12,400,000	9,704,311	22,104,311	9,404,311		12,700,000
11.0 Acquisition of assets						
11.1 Motor Vehicles						
11.2 Construction of NGCDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
Sub-Total	-	-	-	-	-	-
12.0 ROADS						
12.1						
13.0 Others						
13.1 Strategic Plan		3,480,000	3,480,000		3,480,000	
13.2 Innovation Hub		13,500,000	13,500,000		10,834,898	2,665,102
13.3 Social hall						
13.4 TIVET						
13.5 Receipt from sale of tenders					49,000	49,000
Sub-Total	-	16,980,000	16,980,000	14,363,898		2,714,102
GRAND TOTALS	109,040,876	69,362,973	178,403,849	117,718,845		60,685,004

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

IX. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-LARI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the constituency Bank account at equity bank at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	B005170	48,484,483	
	B030090	10,000,000	
	A724457	11,000,000	
	A042672	6,300,000	
	B042930	13,000,000	
	B006424	7,000,000	
	B030477	13,000,000	5,500,000
			37,905,172
Conditional grants	AIE NO...		-
Receipt from other Constituency			-
TOTAL		108,784,483	43,405,172

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
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Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Interest Received	-	-
Rents		
Sale of Tender Documents	49,000	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	49,000	-

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,422,030	873,060
Basic wages of casual labour	522,852	
Personal allowances paid as part of salary	-	-
House allowance	201,600	-
Transport allowance	208,800	
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	64,800	64,800
Gratuity-Paid	-	-
TOTAL	2,420,082	937,860

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	450,000	99,199
Electricity		
Water & sewerage charges		
Office rent	-	
Communication, supplies and services	1,826,000	30,000
Domestic travel and subsistence		50,000
Printing, advertising and information supplies & services		300,000
Rentals of produced assets		
Training expenses	1,160,000	779,750
Hospitality supplies and services	1,015,200	
Other committee expenses -Monitoring	2,372,500	766,000
Committee allowance	1,161,000	620,000
Insurance costs		
Specialised materials and services		
Office and general supplies and services	500,000	100,000
Fuel , oil & lubricants		
Other operating expenses		
Bank service commission and charges	127,024	
Security operations		
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets		
Strategic Plan	3,480,000	
TOTAL	12,091,724	2,744,949

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	27,700,000	7,800,000.00
Transfers to Secondary schools	12,500,000	500,000.00
Transfers to Tertiary institutions	-	
TIVET	-	
TOTAL	40,200,000	8,300,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	27,255,900	5,085,000
Bursary -Tertiary	4,420,000	7,955,000
Bursary-Special schools		-
Mocks & CAT	-	-
Security	6,104,311	2,100,000
Sports	4,144,535	
Environment	2,408,402	1,736,207
Emergency Projects	7,838,993	
TOTAL	52,172,141	16,876,207

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
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Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings		-
Refurbishment of Buildings	-	-
Purchase of Vehicles		
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		
Purchase of office furniture and fittings		
Purchase of computers ,printers and other IT equipments		135,000
Purchase of photocopier		-
Purchase of other office equipments		-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	-	135,000

9. OTHER PAYMENTS

Description	Kshs	Kshs
ICT HUB	10,834,898	-
specify	-	-
specify	-	-
TOTAL	10,834,898	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Equity Bank: Kimende Branch – Kshs</i>	<i>A/C No.1110295360924</i>	5,693,128	14,578,490
10B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/20 19)</i>
	<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
			-	-
		-	-	-
		-	-	-
				-

THERE WAS NO OUTSTANDING IMPREST DURING THE FINANCIAL YEAR UNDER REVIEW

12A. RETENTION

<i>Supplier/Contractor</i>	<i>PV No.</i>	2018-2019	2017 - 2018
supplier 1	NA	-	-
supplier 2	NA	-	-
supplier 3	NA	-	-
TOTAL		-	-

THERE WAS NO RETENTION MONEY HELD DURING THE FINANCIAL YEAR UNDER REVIEW

12B. STAFF GRATUITY OUTSTANDING

12B: ACCRUED GRATUITY	2018-2019	2017 – 2018
Gratuity-Accrued	621,779	207,260
TOTAL	621,779	207,260

GRATUITY AMOUNT FOR THE STAFF WAS NOT PROVIDED FOR IN THE FINANCIAL YEAR UNDER REVIEW.

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13. BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	(1/7/2018	(1/7/2017)
	Kshs	Kshs
Bank accounts	14,578,490	167,334
Cash in hand		-
Imprest		-
TOTAL	14,578,490	167,334

I CERTIFY THAT THIS AMOUNT WAS CORRECTLY CAPTURED IN THE CASHBOOK AS THE OPENING BANK BALANCE FOR 2018-2019 FINANCIAL YEAR..

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017 - 2018
	Kshs	Kshs
Bank accounts		-
Cash in hand	-	-
Imprest	-	-
TOTAL		

WE DID NOT HAVE PRIOR YEAR ADJUSTMENTS DURING THE FINANCIAL YEAR UNDER REVIEW .

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017 - 2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

15.2 : PENDING STAFF PAYABLES (See Annex 2)

	2018-2019	2017 - 2018
	Kshs	Kshs
NGCDFC Staff	621,779	207,260
Others (specify)		
TOTAL	621,779	207,260

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	522,852	
Use of goods and services	5,134,500	869,267
Amounts due to other Government entities	18,300,000	27,100,000
Amounts due to other grants and other transfers	25,605,621	23,934,109
Acquisition of assets		
Others -ICT HUBS	13,500,000	2,665,102
Others -Receipt from sale of Tenders	-	49,000-
TOTAL	63,062,973	54,617,478

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

PMC account Balances (see Annex 5)	Kshs	Kshs
	73,888.65	2,699,373
	73,888.65	2,699,373



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
NGCDF Staff salary		a	b	c	d=a-c		
1.							
2.							
Sub-Total							
NGCDF Staff gratuity							
1) Francis Mwaura		154,454	2018 JANUARY	-	154,454.40	51,485	
2) Francis Gachoka		154,454	2018 JANUARY	-	154,454.40	51,485	
3) Reginal Wanjiku		110,317	2018 JANUARY	-	110,316.60	36,772	
4) Margaret Wanjiku		110,317	2018 JANUARY	-	110,316.60	36,772	
5) Mary Wairimu		92,237	2018 JANUARY	-	92,237.40	30,746	
Sub-Total		621,779		0	621,779	207,260	
Others (specify)							
1							
2							
Sub-Total							
Grand Total		621,779			621,779.40	207,260	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Payment of staffs salaries	522,852	-	
Use of goods & services		5,134,500	869,267	
	Sub-Total	5,657,352	869,267	
Amounts due to other Government entities				
Utugi Primary School		2,000,000		
Munyaka Primary School		500,000.00	1,000,000	
Kamahindu Primary School		1,800,000.00		
Mugiko Primary School			1,500,000	
Kibagare Primary School			2,400,000	
Kamburu Primary			2,500,000	
Kibathithi Primary			2,500,000	
Kibathithi Primary			1,000,000	
Nyamuthanga Primary School			2,300,000	
Karugo Primary School		600,000.00	600,000	
Muhoro Primary School		1,800,000.00		
Kijabe Primary School		1,000,000.00		
Sulmac Primary School		1,000,000.00		
Lare Primary School		1,500,000.00	200,000	
Githirioni Primary School		1,800,000.00		
Kabunge Primary School		1,000,000.00		



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Kago Primary School				700,000	
Kinale Primary School				2,300,000	
Nyamweru Secondary School				1,000,000	
Kariguni Secondary School				3,300,000	
Gachema Secondary School			3,000,000	4,800,000	
Kirenga Girls Secondary School				1,000,000	
Iria-Ini Secondary School			1,000,000		
Sulmac Secondary School			1,300,000		
Sub-Total			18,300,000	27,100,000	
Amounts Due To Other Grants And Other Transfers					
Gachoire Chiefs Office			900,000		
Kamburu Administration Police Post			300,000	300,000	
Kwaregi Administration Police Post			2,204,311	-	
Iria-Ni Chiefs Office			-	1,500,000	
Karnuchege Chiefs Office			-	1,000,000	
Karnukombi Ini Chiefs Office			1,000,000	-	
Nyamuthanga Chiefs Office			-	-	
Kijabe Accs Office			1,200,000	-	
Kimende Kimende Police Post			800,000	-	
Mbau-Ini Chief Camp			-	3,300,000	



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Glithia Chief Camp	-		3,300,000	
Kinale Chief Camp	-		3,300,000	
Bursary -Secondary Schools	11,609,190		2,353,290	
Bursary -Tertiary Institutions	1,120,000		6,700,000	
Emergency	2,100,000		-	
Environment	2,408,402		2,180,818	
Sports	1,963,718		-	
Sub-Total	25,605,621		23,934,108	
Acquisition of assets				
Office furniture &Equip.	-			
Sub-Total	-		-	
Others (specify)				
ICT HUBS	13,500,000		2,665,102	
Receipt from sale of tenders	-		49,000	
Sub-Total	13,500,000		2,714,102	
Grand Total	63,062,973		54,617,477	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19



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Land		~	~	~
Buildings and structures	9,150,000	~	~	9,150,000
Transport equipment		~	~	~
Office equipment, furniture and fittings	881,000	~	~	881,000
ICT Equipment, Software and Other ICT Assets	486,500	~	~	486,500
Other Machinery and Equipment		~	~	
Heritage and cultural assets		~	~	
Intangible assets		~	~	
Total	10,517,500	~	~	10,517,500



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
KAMUKOMBI-INI CHIEFS OFFICE	EQUITY	1110277382719	160	
LARI TECHNICAL TRAINING INSTITUTE	EQUITY	1110277390161	1260	
ENVIRONMENT	EQUITY	110298231344	6,470.5	
GITITHIA MIXED SEC SCHOOL	EQUITY	110278739398	2,880.00	
LARI CDF SPORT	EQUITY	1110261337583	883.15	
MIRANGI PRIMARY SCHOOL	EQUITY	1110269831214	909.90	
NYAMUTHANGA CHIEFS	EQUITY	1110264353823	119.70	
WANGWARE PRIMARY SCHOOL	EQUITY	1110266109081	90.00	
OFFICE FURNITURE	EQUITY	1110266109081	1000	
GACHEMA SECONDARY SCHOOL	EQUITY	11100277585743	3760	
CROSSROAD PRIMARY SCHOOL	EQUITY	1110295726529	3,639.80	
KIJABE ACC. OFFICE	EQUITY	1110277516615	116.25	
KAMBURU AP POST	EQUITY	1110274596351	149.95	
MUNYAKA PRIMARY SCHOOL	EQUITY	1110277770805	2425	
IRIA-INI SECONDARY SCHOOL	EQUITY	11102775516601	47,126.95	
KINALE PRIMARY SCHOOL	EQUITY	110277443090	170	
KARUGO PRIMARY SCHOOL	EQUITY	1110277382744	670.00	-
KIMENDE POLICE POST	EQUITY	1110277585417	90.00	-
WANGWARE PRIMARY SCHOOL	EQUITY	1110266109081	90.00	700,010.00
LARE PRIMARY SCHOOL	EQUITY	11100297206337	38.50	1,499,302.50
KAGWE POLICE POST	EQUITY	1110277443036	90.00	-
GACHOIRE CHIEFS OFFICE OF	EQUITY	1110269776505	1,620.00	500,060.00
KIJABE PRIMARY SCHOOL	EQUITY	1110277516571	128.95	-
TOTALS			73,888.65	2,699,372.50

1000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI CONSTITUENCY

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NGCDF-LARI CONSTITUENCY 2017/18	<p>3.0 Audit Findings</p> <p>4.1 Non Implementation of Projects.</p> <p>During the financial year 2017/2018 a total of Ksh.70, 498,390, which is 70% of the total budget were not utilized by the board as analysed Appendix 1. No reasons were given why the projects were delayed.</p>	The unutilized fund was due to delay in the disbursement from the Government as at the end of 2017/18 F/Y; However the funds were received and utilized.	Fund Account Manager Lari – NGCDF	Resolved	30/06/2019
	<p>4.2 Low Budget Absorption</p> <p>During the financial year 2017/2018, Lari NGCDF had a budget of Ksh.98, 189,655. Out of this amount, only Ksh. 43, 405, 173, which is 44% of the budget, had been disbursed by the board as at 30th June, 2018. From the Ksh.43, 405,173 disbursed, only Ksh.27, 826,266 had been utilized as at 30th June, 2018. A balance of Ksh.15, 578,906 remained in the NGCDF bank account. This led to slow implementation of the budget with only 28%budget absorption as at 30th June, 2018 as analyzed in Appendix 2.</p>	The Ksh.15, 578,906 that was not utilized as at 30 th June, 2018 was to facilitate the construction and refurbishment of projects that were in procurement stages. However the projects were constructed and are now complete and in use.	Fund Account Manager Lari – NGCDF	Resolved	30/06/2019
	<p>4.3 Failure to provide timely Bank Reconciliation</p> <p>Note 10A to the Financial Statement reflects that Lari NGCDF had only one operational bank account during the financial year 2017/2018. The bank reconciliation of this account was not reviewed by a senior officer. It was further noted that, the account bank reconciliation reconciliations did not indicate the officer who prepared the reconciliation and the date in which reconciliation was prepared. As a result, it was not possible to confirm whether the NGCDF was in compliance with section 90 (1) of Public Finance</p>	It has been discussed and agreed that the reconciliation will be done by NGCDF Accounts Assistant and then approved by National Treasury Subcounty Accountant as a senior officer. However, the reconciliations during the audit period was received and assumed to be correct and were reviewed by the Fund Account Manager.	Fund Account Manager Lari – NGCDF	Resolved	30/06/2019



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LARI
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Management Regulations, 2015.				
	<p>4.4 Inaccurate Bank Balances</p> <p>Note 10A to the Financial Statement reflects an amount of Ksh. 14,578,490 against Equity Bank Account balance. Examination of bank reconciliations of this account revealed that a total of un presented cheques amounting to Ksh.880, 536 were stale as at 30th June, 2019. No reason was provided for the failure to reserve the cheques to the cashbook. Consequently, the accuracy of Bank balance of Ksh. 14,578,490 as reported in the financial statement could not be ascertained.</p>	<p>It took long to reverse the cheques because the Sub county Accountant wanted the physical cheques to reverse them . However the issue has been discussed and agreed to reverse the stale cheques.</p>	<p>Fund Account Manager Lari – NGCDF</p>	<p>Resolved</p>	<p>30/06/2019</p>
	<p>4.5. UNSUPPORTED OUTSTANDING IMPREST BALANCE</p> <p>The statement of asset reported an amount of Kshs 1,167,750 against outstanding imprest. Surrender vouchers were not also availed for audit and therefore the imprest was still outstanding as at the time of audit. Instances of overlapping imprest by the a.i.e holder was also noted during the audit.</p>	<p>The outstanding imprest have so far been cleared and vouchers provided</p>	<p>Fund Account Manager Lari – NGCDF</p>	<p>Resolved</p>	<p>30/06/2019</p>

